



What You Need To Know **NOW** About Long-Term Care



A consumer education video from The California Partnership for Long-Term Care

Facilitator's Guide Helping Consumers Get the Most From the Video

Purpose

This video is intended to be a basic primer on the issues of long-term care and long-term care insurance.

It is intended for use by individuals and families, for agents making presentations and for viewing by groups without an agent present.

The worksheet will help consumers better understand long-term care insurance and motivate them to consider their options and gather the facts, so that they are prepared when they meet with an insurance agent or broker.

The California Partnership for Long-Term Care recognized that a short video cannot provide sufficient information on the complex subject of long-term care to replace the conscientious involvement and assistance of a Partnership certified long-term care insurance agent.

We also understand that deciding whether to buy long-term care insurance is a complicated and highly personal decision.

Materials required for each viewer

The Worksheet

(make photocopies of the Worksheet, Glossary and Commonly Asked Questions)

Pen or Pencil

Paper

Preserve Your Independence & Secure Lifetime Asset Protection, the Basic Partnership brochure

Taking Care of Tomorrow, a booklet from The California Department of Aging

Instructions

1) Pass out the worksheet

2) Read the following (feel free to put it into your own words, but do cover all the points):

“Thank you for being here.

My name is _____. Do you all have a copy of the worksheet that goes with the video?



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We are about to watch an educational video on long-term care and long-term care insurance. As you may know, Medicare does not currently pay for long-term care and it is extremely doubtful that it ever will be able to do so for the nation's 9.5 million baby-boomers.

You are wise to be here thinking about providing for yourselves. I hope you will all find this video, and the time we spend discussing it, useful.

Previous viewings of this video have shown that some people are scared by the information it contains. That is **not** our intention, but long-term care is an important and therefore inherently scary subject.

From this video, we intend for you to learn the potential problems so you will be motivated to think about your own long-term care situation. Then you'll decide what actions you should take now to protect yourself in the future.

The video is 32-1/5 minutes long. Part 1 outlines the risks, both financial and personal, of needing long-term care. There is an intermission after about 20 minutes. Part 2 is a general discussion of a method of protecting ourselves by purchasing long-term care insurance.

After we watch the video, we will take the time needed to talk over any questions you may have. A basic glossary of long-term care and insurance terms is available. If you would like a copy, please let me know.

Thank You."

Note to Facilitators

Intermission Options

1) Stop the video, take questions from the audience, and discuss any anxiety you feel the audience may be experiencing.

Ask people if they have had any experiences with long-term care. Discuss the actions you have taken and ask them to tell each other what they have done.

2) Run the video straight through and take the audience's questions at the end.

Notes...



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Video Worksheet, Part 1

How much do you know about long-term care?

As you watch the video, you will have the opportunity to answer these four questions. The video will also provide the answers.

- Question 1: Nearly 40% of individuals receiving long-term care are less than 65 years old.
☐ True ☐ False
- Question 2: Most long-term care is provided in a nursing home facility.
☐ True ☐ False
- Question 3: The average length of stay in a nursing home is more than two (2) years.
☐ True ☐ False
- Question 4: When you need nursing home care, Medicare or your health insurance policy will pay most of the costs.
☐ True ☐ False

Who Needs Long-Term Care In California?

One in three men (33%) and one in two women (50%) over the age of 65 will spend some time in a nursing home.

Nursing Home Care Is Expensive... So Is Care In Your Own Home

The average rate for care in a nursing home is increasing.
 Here are the average costs for care in California:

| | 1 day | 1 year |
|------|-------|----------|
| 1980 | \$42 | \$15,330 |
| 1990 | \$88 | \$32,120 |
| 1998 | \$130 | \$47,450 |
| 2002 | \$140 | \$51,100 |

Who will pay if you need long-term Care? Probably YOU.
 Protect yourself. Protect your family. Protect your independence. Protect your savings.
A CALIFORNIA PARTNERSHIP FOR LONG-TERM CARE INSURANCE POLICY CAN HELP.

INTERMISSION • PLEASE GO ON TO PART 2

Answers to questions: 1-True, 2-False, 3-True, 4-False

To receive more information on Partnership approved insurance policies, write to The California Partnership for Long-Term Care, P.O. Box 942732, Sacramento, CA 94234-7320, call (800) CARE-445 or visit our website at www.dhs.ca.gov/cpltc.



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Video Worksheet, Part 2

Getting Started

- ◆ Do you need long-term care insurance protection?
- ◆ How much coverage do you need?
- ◆ Is a Partnership policy your best option?

The best time to think about these next steps is while the information is fresh in your mind. The following questions are provided to help you get started. Your answers will help a long-term care insurance agent design a plan of protection that meets your needs...and your budget.

Step 1 **Select the Coverage... Will you want coverage for care in your own home?**

- ☐ Coverage that pays for care only in a nursing home or residential care facility.
- ☐ Coverage for care in a nursing home, residential care facility or in your own home.

Step 2 **How much coverage do you need?**

- ☐ To protect the value of your personal savings and other assets
- ☐ To provide a daily benefit payment of:
 - ☐ \$100 ☐ \$120 ☐ \$130 ☐ \$140 ☐ More \$ _____

Step 3 **Inflation Protection: Do you want your protection to rise as cost rise?**

- ☐ Yes, I want a policy with inflation protection.
- ☐ No, I will be willing and able to pay any shortfall out of my pocket.

INDEPENDENCE • PROTECTION • PEACE OF MIND

Only a policy which bears the special California Partnership logo offers a special Medi-Cal “asset protection” feature as well as full inflation protection coverage.



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Commonly Asked Questions...

What are “ADLs”?

These letters are an abbreviation for “activities of daily living.” Activities of daily living are just the ordinary things we all do to live: dressing, eating, toileting, getting in and out of bed. When we can no longer do a certain number of ADLs without help (usually 2 out of 6 ADLs listed in a long-term care insurance policy), then we can draw benefits from our policy.

What are my premiums going to be?

The following factors will have direct impact on the amount of premium you will pay:

- ◆ Age: The single most important factor. The older you are, the more expensive your premium will be
- ◆ Elimination Period (deductible): The shorter the elimination period, the more your premium will be.
- ◆ Daily and Lifetime Benefit: The greater the benefit purchase, the more expensive the premium will be
- ◆ Riders and Options: Additional features, such as a non-forfeiture benefit, will increase the premium.
- ◆ Spousal Discounts: Most companies will provide for some discount if both spouses purchase a policy from the same company.
- ◆ Group Discounts: Purchasing a policy through a group offering such as through your employer or an association could decrease the premium.

Each company sets its own rates. You should talk to your agent or the company to get specific rates. Premiums can vary greatly across companies and within companies depending on what features are included in your policy.

Sample Annual Premiums:

The following table gives examples of annual premiums for a “comprehensive” Partnership policy that provides a nursing home benefit of \$110 a day, residential care facility benefit of \$70 a day, and a home and community-based benefit of \$50 a day with an elimination period (deductible) of 30 days. These policies would also have a 5% compounded inflation protection provision. Premiums will remain the same for your entire lifetime, unless the insurance company gets the State’s approval to change the rates for an entire “class” of policyholders. An individual policyholder cannot be singled out for a premium increase.

| | Approximate Amount of Coverage Age 50 | Annual premium when purchased at Age 55 | Annual Premium when purchase at Age 70 |
|---------|--|--|---|
| 1 year | \$36,500 | \$640 | \$1,658 |
| 3 years | \$109,500 | \$1,301 | \$3,363 |

Remember, these figures are approximate. Consult with your agent for more specific information.



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How do I figure out how much insurance to buy?

The answer to this question will depend on the value of the assets you want to protect and on your particular circumstances. Keep in mind that most people go into long-term care when they are more than 80 years old.

If you are nearing retirement, you will probably want to base your purchase on the current value of what you want to protect. On the other hand, if you were 45 years old, expect your earnings to increase during the next 20 years, your investments to pay off handsomely, and anticipate receiving an inheritance, you may want to make your insurance purchase based on an estimate of how much you will eventually have and what you want to protect. Again, a certified agent can be of great assistance.

Do I have to go into a nursing home?

The answer to this question depends on your health and circumstances at the time you begin to draw on your long-term care insurance benefits, but the choice of insurance is up to you. There are “nursing home only” policies available and there are also “comprehensive” policies that pay for nursing home care and care in your own home. More and more people are receiving long-term care in their homes, but there are times when a nursing home still offers the best care alternative. It depends on the severity and complexity of a person’s care needs as well as the availability and skill of their family and friends to meet those needs.

A person who does not have a family or other informal caregivers available to help them and is without the financial means to pay any money out of their own pocket for care, may find that insurance benefits will be inadequate to meet their needs in order to stay at home. For them a nursing home and a “nursing home only” policy may be the best choice.